DOCUMENT RESUME

ED 349 668 EA 024 273

TITLE School Attendance and Student Accounting.
INSTITUTION North Carolina State Dept. of Public Instruction, Raleigh.
PUB DATE Aug 92
NOTE 55p.
PUB TYPE Legal/Legislative/Regulatory Materials (090)

EDRS PRICE MF01/PC03 Plus Postage.
DESCRIPTORS Administrative Policy; *Admission (School); *Attendance; Class Size; Compliance (Legal); Elementary Secondary Education; Enrollment; *Recordkeeping; *School Attendance Legislation; *State Standards
IDENTIFIERS *North Carolina

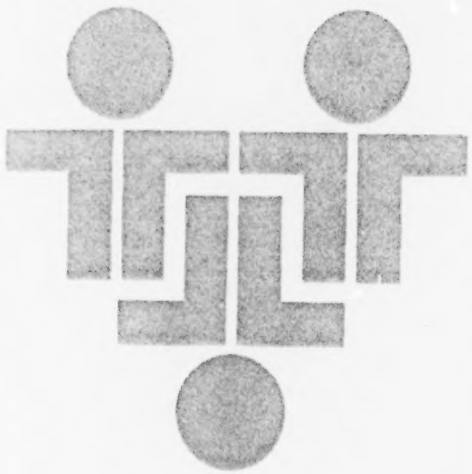
ABSTRACT

Laws, regulations, and policies pertaining to school attendance and student accounting in North Carolina are presented in this document. Chapter 1 identifies who is eligible to attend state public schools, and chapter 2 outlines the state board of education rules and regulations that govern compulsory school attendance and student accounting. Recordkeeping procedures to account for students in extended school day programs and hospital schools are outlined in the third chapter. Chapter 4 explains local board of education responsibilities for maintaining class size and teacher daily load maximums, and the final chapter contains instructions for counting exceptional children. Appendices include information on student accounting codes, the maintenance of school records, and student accounting audits. (LMI)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED349668

School Attendance
• AND •
Student Accounting



U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

✓ This document has been reproduced as received from the person or organization originating it.

☐ Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY

E. Brumback

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

NORTH CAROLINA

Laws • Regulations • Policies

Student Information Management
Division of School Business Services
North Carolina Department of Public Instruction
Bob Etheridge, State Superintendent

EA 024 273

BEST COPY AVAILABLE

TABLE OF CONTENTS

CHAPTER 1
THOSE ENTITLED TO ATTEND SCHOOL

I. TUITION AND AGE 1
II. THOSE ENTITLED TO ATTEND SCHOOL 1

CHAPTER 2
RULES AND REGULATIONS OF THE STATE BOARD OF EDUCATION GOVERNING COMPULSORY SCHOOL ATTENDANCE AND STUDENT ACCOUNTING

I. COMPULSORY ATTENDANCE AGES 1
II. ASSIGNMENT AND ENROLLMENT 1
III. REQUIREMENTS FOR ENTRANCE 1
IV. ATTENDANCE 2
V. RULES OF PROCEDURE IN LAW ENFORCEMENT 5
VI. ATTENDANCE POLICIES 9
VII. AVERAGE DAILY MEMBERSHIP 9
VIII. AVERAGE DAILY ATTENDANCE 10
IX. ADM CREDIT FOR PARTIAL OR COMPLETE CLOSING OF MILITARY, FEDERAL OR PRIVATE SCHOOLS 10

CHAPTER 3
STUDENT ACCOUNTING FOR EXTENDED SCHOOL DAY PROGRAMS AND HOSPITAL SCHOOLS

I. EXTENDED SCHOOL DAY PROGRAMS 1
II. HOSPITAL SCHOOLS 1

CHAPTER 4
CLASS SIZE/TEACHER DAILY LOAD MAXIMUMS

I. ADMINISTRATION OF CLASS SIZE 1
II. INITIAL REPORTING OF CLASS SIZE 2
III. ALLOTMENT ADJUSTMENTS OR WAIVERS DUE TO EXCESS CLASS SIZE 2
IV. PENALTY FOR NON-COMPLIANCE 4
V. SCHOOL IMPROVEMENT AND ACCOUNTABILITY ACT 4

CHAPTER 5
INSTRUCTIONS FOR EXCEPTIONAL CHILDREN CHILD COUNTS

I. DEFINITIONS OF SPECIAL EDUCATION SERVICES 1
II. EXPLANATION OF TERMS 2
III. EHA TITLE VI-B HEADCOUNT/REPORT 5
IV. ESEA TITLE I, HANDICAPPED HEADCOUNT/REPORT 6
V. ADJUSTED HEADCOUNT FOR STATE FUNDING 8
VI. CONTRACTUAL AGREEMENTS FOR COOPERATIVE PROGRAMS IN A PUBLIC OR PRIVATE FACILITY 8

CHAPTER 5
INSTRUCTIONS FOR EXCEPTIONAL CHILDREN CHILD COUNTS (continued)

VII. RESPONSIBILITY FOR HANDICAPPED CHILDREN RESIDING IN A GROUP HOME, FOSTER HOME, OR SIMILAR FACILITY 9
VIII. COUNTING OF CHILDREN WITH SPECIAL NEEDS WHO ARE PLACED IN A PUBLIC OR PRIVATE SCHOOL FACILITY 9

APPENDIX A
STUDENT ACCOUNTING CODES

I. ENROLLMENT CODES 1
II. ACCOUNTING FOR SELF-CONTAINED HANDICAPPED/TRAINABLE CHILDREN IN A SEPARATE SETTING 2
III. ATTENDANCE/ABSENCE CODES 2
IV. WITHDRAWAL CODES - SCHOOL YEAR 3
V. WITHDRAWAL CODES - SUMMER 5

APPENDIX B
MAINTENANCE OF SCHOOL RECORDS

I. LEGAL REQUIREMENTS 1
II. SOCIAL SECURITY NUMBER 5

APPENDIX C
STUDENT ACCOUNTING AUDITS

I. AVERAGE DAILY MEMBERSHIP AUDITS (UNANNOUNCED ON-SITE) 1
II. EXCEPTIONAL CHILDREN HEADCOUNT AND RECORD COMPLIANCE AUDITS 5
III. CHANGE IN EXCEPTIONAL CHILDREN COMPLIANCE AUDIT PROCEDURE 7

CHAPTER 1:

Those Entitled to Attend School

CHAPTER 1

THOSE ENTITLED TO ATTEND SCHOOL

Article IX of the Constitution of North Carolina provides for a general and uniform system of free public schools to be provided throughout the state, wherein equal opportunities shall be provided for all students.

I. TUITION AND AGE

All children of the State, ages five through 18, as provided in the law are entitled to attend the public schools. Tuition is to be free of charge to all children of the state, and to every person of the state less than 21 years old who has not completed a standard high school course of study. (G.S. 115C-1) This age provision is modified in the case of children moving into the state to make it their legal residence after having entered school for their first year in the state from which they have moved. (G.S. 115C-364)

Notwithstanding the provisions of any other statute and without regard for the place of domicile of a parent or guardian, the cost of a free appropriate public education for a child with special needs who is placed in or assigned to a group home, foster home, or other similar facility, pursuant to state and federal law, is to be borne by the local board of education in which the group home, foster home, or similar facility is located. (G.S. 115C-140.1)

II. THOSE ENTITLED TO ATTEND SCHOOL

Unless otherwise assigned by the local board of education, the following students are entitled to attend the school in the district or attendance area in which they are domiciled:

A. All students who have passed the fifth anniversary of their birth on or before October 16 of the year in which they are presented for enrollment; (G.S. 115C-364)

B. All persons of the district or attendance area who have not completed the prescribed course for graduation in the high school; (G.S. 115C-366)

C. All students whose parents have recently moved into the local education agency (LEA) for the purpose of making their legal domicile in the same LEA; (G.S. 115C-366)

D. Any student living with either father, mother, guardian, or spouse who has made his/her permanent home within the LEA; (G.S. 115C-366)

E. At the principal's or superintendent's discretion, students who are 21 years of age or older before the beginning of the school year in which they wish to enroll. (G.S. 115C-366)

F. Students living in and cared for and supported by an institution established or incorporated for the purpose of rearing and caring for orphan children are considered legal residents of the LEA in which the institution is located; (G.S. 115C-365) and

G. Every deaf child and every blind child between the ages of six and 18 years of sound mind in North Carolina who are qualified for admission into a state school for the deaf or the blind. (In the case of a blind child, such child may attend a public school for a term of not less than nine months each year.) (G.S. 115C-383)

CHAPTER 2:

Rules and Regulations of the State Board of Education Governing Compulsory School Attendance and Student Accounting

CHAPTER 2

RULES AND REGULATIONS OF THE STATE BOARD OF EDUCATION GOVERNING COMPULSORY SCHOOL ATTENDANCE AND STUDENT ACCOUNTING

I. COMPULSORY ATTENDANCE AGES

In accordance with G.S. 115C-378, every parent, guardian or other person in North Carolina having charge or control of a student between the ages of seven and 16 years shall cause such student to attend school continuously for a period equal to the time which the public school to which the student is assigned is in session. *Every parent, guardian or other person in North Carolina having charge or control of a child under age seven who is enrolled in a public school in grades Kindergarten through two shall also cause such child to attend school continuously for a period equal to the time which the public school to which the child is assigned shall be in session unless the child has withdrawn from school.* No person shall encourage, entice, or counsel any such student to be unlawfully absent from school. The term "school" is defined to embrace all public schools and such non-public schools as have teachers and curricula that are approved by the State Board of Education.

II. ASSIGNMENT AND ENROLLMENT

Each local board of education is authorized and directed to provide for the assignment to a public school of each child residing within the local education agency (LEA) who is qualified under the laws of North Carolina for admission to a public school. (G.S. 115C-366)

III. REQUIREMENTS FOR ENTRANCE

A. A child, to be entitled to initial entry in the public schools, must have passed the fifth anniversary of his/her birth on or before October 16 of the year in which the child is presented for enrollment, and must be presented for enrollment during the first month of the school year. (G.S. 115C-364)

B. No child may attend a school (K-12), whether public, private, or religious, or a day-care facility as defined in G.S. 110-86(3), unless a certificate of immunization indicating that the child has received the immunizations required by G.S. 130A-152, is presented to the school or facility. (G.S. 130A-155)

C. No child (except hospital/homebound, staggered Kindergarten, Teacher-in-Treatment or Medically Fragile) may be enrolled in school unless they are present at school on that day.

NOTE: The **SIMS SCHOOL SYSTEM** enrolls all students who completed the prior school year as an E1 on the first day of each new school year. Teachers must count those students absent beginning on Day 01 and on all of the first ten school days or until the student shows up. The No Show Process will then delete the student from enrollment. If the student shows up during the first ten school days, his entry should be moved to his first day of attendance.

IV. ATTENDANCE

A. In order to be considered in attendance, a student (except for hospital/homebound) must be present in the school for the school day or at a place other than the school with the approval of the appropriate school official for the purpose of attending an authorized school activity. Such activities may include field trips, athletic contests, student conventions, musical festivals or any similar approved activity.

B. Except as noted in IV.A, above, a student must be present at least *one-half* of the school instructional day in order to be recorded present for that day.

C. **Hospital/Homebound:**

If a student is confined at home or in a hospital, is unable to attend school, and *is receiving homebound instruction* from his home school/LEA, he/she is to be considered Hospital/Homebound. On the days hospital/homebound services are delivered, the child should be counted PRESENT at school. (Supporting documentation should be maintained at the school.)

D. **Lawful Absences:**

The superintendent, principal, or teacher who is in charge of a school has the right to excuse a student temporarily from attendance on account of sickness or other unavoidable cause. (Below are the valid/lawful excuses for temporary nonattendance of a student at school.)

1. ***Illness or Injury***. When the absence results from illness or injury which prevents the student from being physically able to attend school.

2. ***Quarantine***. When isolation of the student is ordered by the local health officer or by the State Board of Health.

3. ***Death in the Immediate Family***. When the absence results from the death of a member of the immediate family of the student. For the purpose of this regulation, the immediate family of a student includes, but is not necessarily limited to, grandparents, parents, brothers and sisters.

4. ***Medical or Dental Appointments***. When the absence results from a medical or dental appointment of a student.

5. ***Court or Administrative Proceedings***. When the absence results from the attendance of a student at the proceedings of a court or an administrative tribunal if the student is a party to the action or under subpoena as a witness.

6. ***Religious Observance***. If the tenets of a religion to which a student or his/her parent adhere, require, or suggest observance of a religious event. The approval of such absences is within the discretion of the local board of education, but approval should be granted unless the religious observance, or the cumulative effect of religious observances, is of such duration as to interfere with the education of the student.

7. ***Educational Opportunity***. When it is demonstrated that the purpose of the absence is to take advantage of a valid education opportunity, such as travel. Approval for such an absence must be granted prior to the absence. (16 NCAC 2D.0404)

E. **Medically Fragile:**

Students who are medically fragile are frequently absent from school. Their absences are directly related to their severe or life threatening physical condition. Medically fragile students are identified as follows:

> Those students who qualify for special education in one of the existing categories of handicapping condition and for whom a licensed medical doctor has provided documentation that an associated or accompanying chronic illness is so severe as to affect the student's school attendance. Medically fragile students are those whose illness frequently place them in life-threatening situations. In addition, they may be technology-dependent for life support systems, i.e. tracheostomy, gastrostomy, etc.

There may be rare instances when a child does not qualify for special education as defined in the Individuals with Disabilities Education Act (IDEA). However, the child would unquestionably meet the definition of handicapped under Section 504 of the Rehabilitation Act of 1973, and thus would be eligible for consideration as a medically fragile student.

The absence of medically fragile students should be coded **IH**.

NOTE: Medically fragile absences are *not* included by the Department of Public Instruction in the calculation of a school's attendance rate.

F. **Staggered Kindergarten**

Staggered enrollment of children is an instructionally valid strategy for facilitating a smooth entry of Kindergartners into the public schools. In order to allow staggered enrollment programs to operate without adversely affecting a school's ADM or attendance rate, the following procedure is to be used.

1. Enroll (**EI**) *all* participating Kindergartners on Day 01.
2. Code absences incurred as a result of the program as **IH**.
3. Submit the Principal's Monthly Report (PMR) in the usual manner.

NOTE: Staggered Kindergarten absences are *not* included by the Department of Public Instruction in the calculation of a school's attendance rate.

G. **Teacher-in-Treatment Program**

Students who are participating in the Teacher-in-Treatment Program should remain in membership in their home school. Their days of participation should be posted as absences and coded **IH**.

BEST COPY AVAILABLE

H. **Unlawful Absences:**

For students between the ages of seven and 16 and all other students who are entitled to attend public school and who have enrolled in a public school, *unlawful* absence is defined as:

1. A student's willful absence from school with or without the knowledge of the parent; or

2. A student's absence from school for any reason other than those listed in Chapter 2, Section IV.C under "Lawful Absences."

NOTE: Parents who refuse to comply with the health regulations of a community, such as compulsory vaccination, thereby causing a student to be excluded from the school, or parents who permit a student to stay at home or to be employed in any way contrary to the Child Welfare Law (Chapter 110 of the General Statutes), are responsible for the nonattendance of the student.

G. **Suspensions and Expulsions:**

1. The principal of a school has the authority to suspend for a period of ten days or less any student who willfully violates policies of conduct established by the local board of education, provided that a student suspended is provided an opportunity to take any quarterly, semester or grading period examinations missed during the suspension period. (G.S. 115C-391)

2. The principal of a school, *with prior approval of the superintendent*, has the authority to suspend for periods of time in excess of ten days, but not exceeding the time remaining in the school year, any student who willfully violates the policies of conduct established by the local board of education. (G.S. 115C-391)

3. A local board of education may, upon recommendation of the principal and superintendent, expel any student 14 years of age or older who has been convicted of a felony and where his/her continued presence in the school constitutes a clear threat to the safety and health of other students or employees. (G.S. 115C-391)

4. In the event that a child with special needs exhibits behavior which, if the child were not a child with special needs, could result in the suspension or expulsion of the child from school for a period of more than ten days or for consecutive periods that total more than ten days, the LEA shall require a multidisciplinary team to promptly review the evaluation already completed for the child and conduct any additional evaluations necessary to determine if the behavior is caused by the child's special needs. Such evaluations must include determining (1) whether the child is presently receiving appropriate education, and (2) whether medication is needed or present medication is appropriate. If the evaluation establishes no such relationship between the behavior and the special needs, the LEA may initiate its normal disciplinary procedures. (G.S. 115C-112)

5. A student must be recorded present in school when participating in any disciplinary techniques grouped under the term "in-school suspension."

6. The principal may reinstate a student before the suspension period ends if it is evident that the student may be helped by this action.

7. When a student is expelled while under suspension, his withdrawal (W2) should be posted on the day the expulsion takes effect. The absences (Code 3) incurred during the suspension remain on the student's record.

NOTE: Absences caused by out-of-school suspension are to be considered neither lawful or unlawful. Consequently, they are not a factor in the administration of the Ten Day Rule (below).

H. **Ten Day Rule:**

The State Board of Education Ten Day Rule states that when a student accumulates more than ten *consecutive* days of unlawful absences, he/she is to be withdrawn from *funded* membership as of the first day following his/her last day in attendance. The **SIMS SCHOOL SYSTEM** software automatically handles the administration of the Ten Day Rule. The software functions as follows:

1. On the eleventh *consecutive* day of unlawful absence, the student in violation of the Rule will no longer be counted in the calculation of ADM as of the first day of absence. However, he/she will continue in membership and will be counted as absent from school.

2. If and when the student returns to school, he/she is simply to be counted present for the days of attendance. Beginning on the first day of attendance, the student will once again be counted in the calculation of the school's ADM.

3. If and when it is determined that the student has withdrawn from school, the withdrawal is to be posted on *the first day after the student's last day in attendance.*

4. If the student is in violation of the Ten Day Rule on the last day of the school year, the SIMS software requires that, before submission of the Month 09 PMR, action must be taken to withdraw the student from membership on the first day after his/her last day in attendance.

V. RULES OF PROCEDURE IN LAW ENFORCEMENT

The Compulsory Attendance Law (G.S. 115C-378) states that every parent, guardian, or other person in North Carolina having charge or control of a child between the ages of seven and 16 years of age shall cause that child to attend school continuously for a period equal to the time which the public school to which the child is assigned is in session. It prohibits any person from encouraging, enticing, or counseling the child to be unlawfully absent from school. The parent, guardian, or custodian of the child is required to notify the school of the reason for each known absence of the child, in accordance with local school policy.

Each LEA must enforce the state laws and regulations which relate to compulsory attendance. LEAs may adopt rules which allow teachers to consider a student's absences in the computation of the student's grades. (16 NCAC 6E.0103) School personnel have additional legal responsibilities for student attendance. They are listed below.

A. **Duties of the Teacher:**

The teacher is essential in the enforcement of the Compulsory Attendance Law. It is his/her duty:

1. To inform students and parents of the value and importance of regular school attendance through:
   a. Classroom activities,
   b. Programs and announcements at parent-teacher association and teachers' meetings, and
   c. The development of public sentiment in the community for regular school attendance;
2. To ascertain the cause of nonattendance and thus determine when an absence is lawful or unlawful (G.S. 115C-379); (The practice of requiring written excuses is recommended as a means of obtaining information as to the cause of absences. However, when a teacher obtains knowledge through another means that the cause of an absence is lawful and a written excuse is not provided, such absences should be reported as lawful.)
3. To implement the Ten Day Rule; (See Section IV.H., above.)
4. To maintain accurate student accounting records; (Attendance records shall be kept for 180 school days.) and
5. To maintain the same student records for extended school day programs as those in regular school in addition to those required in Chapter 3 of this publication which relate to extended day student accounting records. (G.S. 115C-307[f][g]; G.S. 115C-308)

B. **Duties of the Social Worker:**

1. The primary responsibility of the social worker is to ensure the regular attendance of all students. The social worker shall, as prescribed by the law, investigate all violators of the Compulsory Attendance Law. (G.S. 115C-381)
2. The social worker must:
   a. Investigate all violators of the Compulsory Attendance Law reported to him/her by the principal;

b. Work with the student and his/her family to analyze the causes of the absences and determine steps, including adjustments of the school program and obtaining supplemental services, to eliminate the problem; and

c. Have authority to report and verify on oath, the necessary criminal warrants or other documents for the prosecution of violations of the Compulsory Attendance Law.

C. **Duties of the Principal:**

The principal, as executive officer of the school, has the following responsibilities for the enforcement of the Compulsory Attendance Law and the provisions of the North Carolina Administrative Code as approved by the State Board of Education:

1. He/she must, insofar as it relates to his/her activities, utilize the means outlined above in Section V.A.1 under "Duties of the Teacher" to inform students, parents, and teachers as to their respective duties in regard to school attendance. He/she must also perform his/her duties as specified above in Section V.A.2 under "Duties of the Teacher."

2. He/she must provide such prescribed forms for use by himself/herself and the teachers working under his/her supervision. These forms should be secured from the local superintendent.

3. The principal or his/her designee must notify the parent, guardian, or custodian of his/her child's excessive absences after the child has accumulated three unlawful absences in a school year. After not more than six unlawful absences, the principal must notify the parent, guardian, or custodian by mail that he may be in violation of the Compulsory Attendance Law and may be prosecuted if the absences cannot be justified under the established attendance policies of the state and local boards of education.

   After ten *accumulated* unlawful absences in a school year, the principal must review any report or investigation prepared under G.S. 115C-381 and must confer with the student and his/her parent, guardian, or custodian, if possible, to determine whether the parent, guardian, or custodian has received notification and made a good faith effort to comply with the law. Depending on the circumstances, the principal must then notify the district attorney or file a complaint with the juvenile intake counselor. (G.S. 115C-378)

4. In case a student or parent is reported to the court having jurisdiction for failure of the student to attend school and the principal is called as a witness, it shall be the principal's duty to appear when so called at the time and place specified, and have with him/her the teacher's report of unlawful absence. The teacher may also be called as a witness.

5. He/she must see that students are withdrawn (following a code 1 or 2 absence) on the day following their last day in attendance.

6. He/she must report, in writing, all cases of suspension or expulsion to the social worker and to the local superintendent.

7. A request by a parent for reinstatement of a student from suspension or expulsion is to be made to the principal. If the case is one that has not been reported to the court, and the principal decides reinstatement should be made, he/she shall report reinstatement to the social worker. If, on the other hand, the case has been reported to the court for a decision, the principal or social worker must refer the request for reinstatement to the court. The court should report its decision to the principal and social worker. (G.S. 115C-288)

D. **Duties of the Superintendent:**

The superintendent of the LEA is responsible for creating and encouraging public sentiment favorable to regular school attendance and to the enforcement of the Compulsory Attendance Law and the provisions of the North Carolina Administrative Code as approved by the State Board of Education.

1. He/she must endeavor to obtain cooperation among all concerned - students, parents, teachers, principals, social workers, and court officials - in the administration of the Compulsory Attendance Law.

2. Through teachers' meetings, parent-teacher association meetings, newspapers, periodical releases and other media, he/she must keep the public informed about the value, importance, and necessity of regular school attendance. He/she must advise principals and teachers as to their duties and responsibilities in respect to the enforcement of the law.

3. He/she must arrange with the social worker for meetings with teachers and principals for discussions concerning school attendance and the enforcement of the Compulsory Attendance Law.

4. He/she must provide such forms and materials as are necessary for the administration of the Compulsory Attendance Law and of the rules and regulations of the State Board of Education, and distribute these materials to the school principals. (G.S. 115C-276)

E. **Penalty for Law Violation:**

Any parent, guardian or other person violating the provisions of the Compulsory Attendance Law is guilty of a misdemeanor, and upon conviction, shall be fined not more than $50 or imprisoned not more than 30 days, or both, at the discretion of the court. (G.S. 115C-380)

VI. ATTENDANCE POLICIES

North Carolina G.S. 115C-84(c) requires that LEAs establish a 180-day school year calendar with days included to be used to make up days missed due to inclement weather or other emergencies. However, no other attendance policy (relating to minimum days of attendance, etc.) has been established in State Board of Education policy or state law. Attendance policies are established or authorized by the local board of education in each LEA.

VII. AVERAGE DAILY MEMBERSHIP

A. Enrollment is an increasing number which cannot be decreased (except through the NoShow Process)after it is reported. Once enrolled, students will remain in membership until they have withdrawn. Membership is obtained by subtracting withdrawals from enrollment.

B. Average daily membership (ADM) for each school month is based on the sum of the number of days in membership for all non-violating students in individual LEAs, divided by the number of days in the school month. Initial allotments are made based on the higher of the total prior year best consecutive three of the first four months ADM or the total projected best consecutive three of the first four months ADM.

C. Where classes are offered less than five days a week, all students shall be included in all enrollment figures for a 20 day month. However, a student shall be counted in membership only those days on which classes are offered. (Example: Classes offered four days a week, in a regular school month of 20 days, would be only 16 days of classes, thus each student would only be counted 16/20 of a month in ADM.)

D. Students who are enrolled for only a fractional part of the school month, by days, will receive only a fractional part of the membership. (Example: A student enrolled three days a week would be shown in membership only 12 days per school month; the Principal's Monthly Report would show corresponding membership, sum of pupils in membership, etc.)

E. In situations where learning labs are utilized, the same procedure as in Item VII.C above, shall be followed, regardless of length of time per day spent in learning labs. (Example: A student who attends learning lab two days per week for six hours would be counted in ADM based only on the two days per week. The ADM would be 8/20 of a month.)

F. Students who participate part time in supervised work programs will be counted in membership only during that portion of their work schedule that they are under the supervision of and in an approved program of the Division of Vocational Education Services in the North Carolina Department of Public Instruction. (One hour related for each three hours on the job.)

VIII. AVERAGE DAILY ATTENDANCE

Average daily attendance (ADA) is based on the sum of the number of days in attendance for all students divided by the number of days in the school month. No state allotments are based on ADA.

IX. ADM CREDIT FOR PARTIAL OR COMPLETE CLOSING OF MILITARY, FEDERAL OR PRIVATE SCHOOLS

ADM credit may be granted to an LEA for students who have not been in projected ADM figures due to partial or complete closings of schools as follows:

A. **Requests for credit must include the following:**

1. The name of the closed school, grade span, and the date it closed;

2. The specific grade levels discontinued in partially closed schools;

3. A roster of the affected students, by name and grade level, that have actually enrolled in the LEA; and

4. A signed certification by the local superintendent stating that the above enrollment has taken place.

B. Adjustments may also be made for groups of students entering an LEA's ADM for the first time that are attributable to military or economic factors considered to be beyond normal expansion of the LEA. Students in this category shall be certified to be enrolled by the superintendent, and shall be identified by name, grade level and parent occupation.

C. **The number of students transferring into the LEA shall be added as follows:**

1. If a request for change in ADM due to the transfer is received by Student Information Management prior to the issuance of the planning allotments (March of each year), the number of students shall be added to projected ADM and may affect the planning allotment depending on the relative sizes of projections and prior best three of the first four months.

2. If the request for change in ADM due to the transfer is received by Student Information Management after the issuance of the planning allotments and no later than June 15, the number of students shall be added to the projected ADM and may affect the initial allotment depending on the relative sizes of projected ADM.

3. If the request for change in ADM due to the transfer is received after the issuance of the initial allotment and prior to the tenth day of school, no adjustment shall be made, as the increase will be reflected in the Tenth Day Principal's Report. Adjustments in the tenth day membership shall be made only if the tenth day membership shows an increase over the ADM used for the basis of the initial allotment. (Allotments based on the tenth day membership calculations shall be retroactive to the first day of the school year.)

4. Upon determination of the validity and accuracy of the above transfer(s), Student Information Management will certify and report the changes in ADM to the Information Center which will, in turn, recalculate projected ADM figures for the affected LEA and forward the revised data to the School Budgets Section for possible allotment adjustments.

5. Any ADM credit considered above will be granted within funds available.

CHAPTER 3:

Student Accounting for Extended School Day Programs and Hospital Schools

CHAPTER 3

STUDENT ACCOUNTING FOR EXTENDED SCHOOL DAY PROGRAMS AND HOSPITAL SCHOOLS

I. EXTENDED SCHOOL DAY PROGRAMS

The following regulations shall be observed in the keeping of records for extended school day programs.

A. Students attending extended school day programs during summer months shall not be included in statistics of the regular school year.

B. Students who are attending the extended school day program and are enrolled in a regular school program shall be counted in average daily membership (ADM) only in the program where they spend the major portion of their time. (Students may be counted only once.)

C. Students shall be enrolled and included in student statistics reports in the school where they are in attendance. If the extended school day program is a separate school, a school number shall be assigned by the State Department of Public Instruction, Information Center, and separate reports shall be filed monthly. Teachers shall indicate on the Teacher's Monthly Report that this is an extended school day program.

D. Students in extended school day programs shall be included on the appropriate Principal's Monthly Report for extended school day programs at the school where classes are conducted and the ADM of these students is to be included in the calculation of the teacher allotment for local education agencies, unless these students are also in membership in the regular school program.

   1. Students who attend learning labs on an unscheduled format are not to be counted in membership on days they were not scheduled to regular class.

   2. Students scheduled to learning labs on days not scheduled to class are to be counted in membership on those days in class and those scheduled in learning labs.

E. ADM for extended school day programs should be calculated as provided in Chapter 2, Part VII.

II. HOSPITAL SCHOOLS

Hospital schools throughout the state (examples: UNC Hospitals at Chapel Hill/Duke/Buncombe Orthopedic) have unique situations which require individual methods of student accounting. Any such situations must be discussed with and approved by Student Information Management on an individual basis.

CHAPTER 4:

Class Size/Teacher Daily Load Maximums

CHAPTER 4

CLASS SIZE/TEACHER DAILY LOAD MAXIMUMS

Student Information Management is responsible for monitoring local board of education compliance with class size maximums in accordance with G.S. 115C-301.

I. ADMINISTRATION OF CLASS SIZE

A. Local boards of education must maintain a local education agency (LEA)-wide class size average no higher than the funded allotment ratio of teachers to students in each *grade span*: grades K-9, 1 to 26; and grades 10-12, 1 to 28.5.

B. During the first two months of school, there is no class size maximum, so long as the LEA-wide class size average maximums for each grade span are not exceeded.

At the end of the second school month and for the remainder of the school year, the size of an individual class may exceed the allotment ratio by three students so long as the LEA-wide average class size maximums for each grade span are not exceeded. Therefore, individual class size maximums are:

- Grades K-9: 29
- Grades 10-12: 32

When a high school class contains a combination of ninth grade level students with students in grades 10 through 12, the maximum class size will be determined by the grade level classification that constitutes the majority in the class.

Example: If the membership of the class is composed of 15 students classified as ninth graders and 16 students classified as tenth and/or eleventh graders, the maximum class size would be the maximum allowable for grades 10-12.

C. Students must be assigned to classes so that from the 15th day of the school year through the end of the school year, the number of students for whom teachers in grades 7 through 12 are assigned teaching responsibilities during the course of the day is no more than 150 students.

A teacher's daily load is determined by summing the size of each individual academic class for which the teacher is assigned teaching responsibility. Each teacher in a team is considered to be responsible for an equal number of students in the class, regardless of how frequently the teacher actually teaches.

Only those teachers with a daily contact load of students exclusively in the seventh grade or above are subject to the daily student load maximum.

D. If individual class size exceeds 29 students in grades K-9 or 32 students in grades 10-12 at the end of the second school month and for the remainder of the school year, or if a teacher's daily load exceeds 150 students (grades 7-12) after the 15th school day, the local board has the responsibility to follow the steps set forth in G.S. 115C-301(g) and G.S.115C-47(10).

E. Study halls and homerooms are not counted when calculating average LEA-wide class size average or teacher daily load. (All other classes are to be included in the calculation of LEA-wide class size averages.)

F. Maximum size for physical education classes shall be 50 students as long as the effectiveness of the instructional program is not impaired. (Health classes are subject to normal maximums.) The maximum daily load for teachers with five classes of physical education would be 250 students.

G. Two classes of up to 29 students each may be simultaneously scheduled for elementary physical education. The resultant physical education class may have no more than 58 students. When such a class is organized, a second participating adult *must* be assigned to help manage it. The second adult may be a teacher or a teacher assistant.

H. The above class size and daily load limits do not apply to music performance ensembles (Band, Chorus, and/or Orchestra).

I. Class size and daily load maximums apply to all teachers, including those which are state, federally, and locally funded.

J. Teachers employed in vocational education, exceptional children, remediation, instructional support, driver training, etc., should be used to meet class size requirements when the school is determining its organization and teacher workload. Their classes are subject to all class size and teacher daily load maximums.

II. INITIAL REPORTING OF CLASS SIZE

Under the provisions of G.S. 115C-301(f) and G.S. 115C-47(10):

A. Each school year, each local board of education, through the superintendent, shall file a report for each school within the LEA with the State Board of Education. Class size and teacher daily load exceptions will be identified and reported via the SIMS School Activity Report (SAR). The SAR will be transmitted at the end of the second and fifth school months.

B. The State Board will report all allotment adjustments and waivers permitted to the Office of State Budget and Management and the General Assembly by May 15th of each year.

III. ALLOTMENT ADJUSTMENTS OR WAIVERS DUE TO EXCESS CLASS SIZE

Under the provisions of G.S. 115C-301(g) and 115C-47(10):

A. Local boards of education are responsible for assuring that the class size and teacher daily load requirements set forth in G.S. 115C-301 are met. Any teacher who believes that the requirements of G.S. 115C-301 have not been met shall make a report to the principal and superintendent. The superintendent shall immediately determine whether the requirements have in fact not been

met. If the superintendent determines the requirements have not been met, he/she shall make a report to the next local board of education meeting. The local board of education shall take action to meet the requirements of the statute.

If the local board cannot organizationally correct the exception and if any of the conditions set out below are met, it shall immediately apply to the State Board of Education for additional personnel or waiver from the standards set above.

Within 45 days of receipt of the request, the State Board, within funds available, may allot additional positions or grant waivers for the excess class size or daily load:

1. If the exception resulted from:

   a. Exceptional circumstances, emergencies, or acts of God (such as students transferring to a school during the middle of the school year, impractical combination classes, closing of classrooms due to fire or other natural disaster);

   b. Large changes in student population (caused by large military installation or business personnel transfers);

   c. Organizational problems caused by remote geographic location; or

   d. Classes organized for a solitary curricular area; (An example would be when only one class of physics is offered and 34 seniors need the class to meet college entrance requirements.) and

2. If the local board cannot organizationally correct the exception.

B. Requests should be in the form of a letter from the local superintendent addressed to Student Information Management, and should include:

   1. A statement as to whether a waiver or an allotment adjustment is requested;

   2. A description of the cause of the exception(s);

   3. A description of the current organization of the school(s) containing the exception(s); and

   4. A description of the proposed organizational changes using additional teacher positions if an allotment adjustment or a waiver is granted. Waivers, when granted for a specific incidence, may remain in effect for the remainder of the current school year.

C. Upon notification from the State Board that the reported exception does not qualify for an allotment adjustment or a waiver under provisions of G.S. 115C-301, the local board, within 30 days of receipt of the State Board notification, shall take action necessary to correct the exception. A report of the action taken to alleviate the exception shall be sent to Student Information Management within 30 days of receipt of State Board notification that the exception did not qualify for an allotment adjustment or waiver.

NOTE: No adjustments in teacher assistant allotments are available for increases in class size.

IV. PENALTY FOR NON-COMPLIANCE

If the State Board determines that a local superintendent has willfully failed to comply with the requirements of G.S. 115C-301, no state funds shall be allocated to pay the superintendent's salary for the period of time the superintendent is in noncompliance.

V. SCHOOL IMPROVEMENT AND ACCOUNTABILITY ACT (SENATE BILL 2)

Under the provisions of the School Improvement and Accountability Act of 1989 (Senate Bill 2), an LEA may request a waiver of class size and/or teacher daily load maximums.

A. Whether or not a Senate Bill 2 waiver is granted, LEAs must continue to report all exceptions to the Department of Public Instruction. LEAs will not be required to obtain a waiver under the provisions of G.S. 115C-301 for exceptions already waived under Senate Bill 2.

B. Class size and teacher daily load exceptions will be identified and reported via the SAR.

NOTE: When a Senate Bill 2 class size waiver is granted and used, a class size allotment adjustment is no longer possible. ***However***, a waiver applies to a specific case only. Waivers are not in effect until they are used. All allotments are subject to the availability of funds.

NOTE: The Performance-Based Accountability Program will not take effect until the 1993-94 school year.

CHAPTER 5:

Instructions for Exceptional Children Child Counts

CHAPTER 5

INSTRUCTIONS FOR EXCEPTIONAL CHILDREN CHILD COUNTS

Child count (headcount) regulations are provided in both federal and state law. The Individuals with Disabilities Act (IDEA), P.L. 101-476 provides child count procedures. The December 1 headcount is used to generate federal funds for handicapped children ages 3-21 under the Individuals with Disabilities Act, P.L. 91-230, as amended by P.L. 94-142, P.L. 99-457, and P.L. 101.476. The state headcount (April 1) is provided for in Chapter 115C, Article 9 and Senate Bill 23 (1983). Preschool handicapped children are not included in the April 1 headcount. State funding for these preschool handicapped children is a formula-based allocation and is not determined by the April 1 headcount.

An exceptional children headcount for an LEA is based on the exact number of students who *on the day of the headcount* meet criteria for identification and service established for the respective headcount(s).

Currently three headcounts are performed each school year. They are:

- EHA Title VI-B Handicapped headcount (Including Pre-School)
- ESEA Title I Handicapped headcount
- State Adjusted headcount

I. DEFINITIONS OF SPECIAL EDUCATION SERVICES

A. **Special Education:**

Specially designed instruction, at no cost to the parent, to meet the unique needs of a handicapped child and including: classroom instruction, instruction in physical education, home instruction, and instruction in hospitals and institutions. The term includes speech pathology and vocational education, if it consists of specially designed instruction, at no cost to the parents, to meet the unique needs of a handicapped child.

B. **Related Services:**

Transportation and such developmental, corrective, and other supportive services as are required to assist a child with special needs to benefit from special education. Related services include speech pathology and audiology, psychological services, physical and occupational therapy recreation, early identification and assessment of disabilities in children, counseling services, and medical services for diagnostic or evaluation purposes. The term also includes school health services, social work services in schools, and parent counseling and training.

C. **Transition for Post-School**

A coordinated set of activities for a student, designed within an outcome-oriented process, which promotes movement from school to post-school activities, including post-secondary education, vocational training, integrated employment (including supported employment), continuing and adult education, adult services, independent living, or community participation.

D. **Transition for Pre-School**

Transition services for preschool handicapped children include those activities that allow a handicapped child to move from the infant-toddler program to the preschool program and/or from the preschool program to kindergarten or first grade without an interruption in services. These activities may include assisting the child and the family through the transition process, coordinating administrative functions to ensure appropriate placement and working with the interagency council.

II. EXPLANATION OF TERMS

A. **Classification of Students:**

Codes

AG	Academically Gifted (AG students do not generate federal funds)
AU	Autistic
DB	Deaf-Blind
EH	Behaviorally/Emotionally Handicapped
EM	Educable Mentally Handicapped
HI	Hearing Impaired - Includes Deaf and Hard of Hearing
LD	Specific Learning Disabled
MU	Multi-handicapped
OH	Other Health Impaired - Includes: Heart Condition, Tuberculosis, Rheumatic Fever, Nephritis, Asthma, Sickle Cell Anemia, Hemophilia, Epilepsy, Lead Poisoning, Leukemia, and Diabetes
PG	Pregnant (Pregnant students do not generate federal funds)
OI	Orthopedically Impaired - Includes Cerebral Palsy
SI	Speech-Language Impaired
SP	Severely/Profoundly Mentally Handicapped
TM	Trainable Mentally Handicapped
VI	Visually Impaired - Includes Blind and Partially Sighted
TB	Traumatic Brain Injured

NOTE: Homebound/Hospitalized is not a classification of exceptionality, but is a student setting that is secondary to the primary handicapping condition and MUST BE COUNTED ONLY under the classification for which the student is eligible.

NOTE. Speech is a primary handicapping condition ONLY if *no other handicapping conditions are present*. If a child is identified in any other category, then speech is a related services and cannot be duplicated in a headcount.

B. **Ethnic Group:**

A student may be included in the group in which he/she appears to belong, identified with, or is regarded in the community as belonging to. However, no student should be counted in more than one racial/ethnic category.

Codes

I **American Indian/Alaskan Native**: A student having origins in any of the original people of North America and who maintain cultural identification through tribal affiliation or community recognition.

O **Asian (Oriental)**: A student having origins in any of the original people of the Far East, Southeast Asia, the Pacific Islands, or the Indian subcontinent.

H **Hispanic**: A student of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish culture or origin - regardless of race.

B **Black, Not of Hispanic Origin**: A student having origins in any of the black racial groups of Africa.

W **White, Not of Hispanic Origin**: A student having origins in any of the original people of Europe, North Africa, or the Middle East.

NOTE: Based on the Office of Civil Rights report of the Civil Rights Act, 1965 - Fall 1980 form. (Elementary/Secondary Schools Civil Rights Survey)

C. **Organization of Student Setting:**

1. **Regular Indirect (Regular Classroom Program with Support Services)**: An identified student with special needs who receives the majority of his/her educational program in a regular class and special education and related services for *less than 21 percent of the school day*. This may include exceptional children placed in: (1) a regular class with special education/related services provided within a regular class; (2) a regular class with instruction within the regular class and with special education/related services provided outside a regular class; or (3) a regular class with special education provided in a resource room.

2. **Resource**: An identified student with special needs who receives his/her special education/related service(s) in a resource room *between 21 percent and 60 percent of the school day*. This may include children placed in: (1) resource rooms with special education/related services provided within the resource room; or (2) resource rooms with part-time instruction in a regular class.

BEST COPY AVAILABLE

3. ***Separate Class***: An identified student with special needs who receives special education/related service(s) for *more than 60 percent of the school day*. This may include children placed in: (1) self-contained special classes with part-time instruction in a regular class, or (2) self-contained full-time special classes on a regular school campus.

4. ***Public Separate School Facility***: An identified student with special needs who receives his/her special education/related service(s) in a public separate school facility for *greater than 50 percent of the school day*. This may include children placed in a self-contained special class in a special public day school facility for exceptional children.

5. ***Private Separate School Facility***: An identified student (by the Administrative Placement Committee [APC] in the local education agency [LEA] which is responsible for the fiscal/educational program) with special needs who receives special education/related service(s) in a private separate school facility for *greater than 50 percent of the school day*.

   This includes exceptional children with an individualized education program (IEP) who are placed by the APC in: (1) private, non-public schools or (2) private day school facilities for exceptional children.

6. ***Public/Private Residential Facility***: An identified student (by the APC in the LEA which is responsible for the fiscal/educational program) with special needs who receives special education/related service(s) in a public/private residential school facility for exceptional children.

7. ***Private Residential Facility***: An identified student (by the APC in the LEA which is responsible for the fiscal/education program) with special needs who receives special education/related service(s) in a private residential school facility for exceptional children.

8. ***Correction and Youth Service Facility***: An identified student with special needs who receives special education/related service(s) in a correction or youth services facility.

9. ***Hospital Home-Based Services***: An identified student with special needs who received special education/related service(s) in a homebound/hospital environment.

10. ***Home-Family Program***: For pre-school handicapped children - services which are delivered primarily in the home by a certified home-family teacher.

III. EHA TITLE VI-B HEADCOUNT/REPORT

The EHA Title VI-B Handicapped headcount is used to generate federal funds for children ages 3-21 under the Individuals with Disabilities Education Act, P.L. 91.230, as amended by P.L. 94-142, P.L. 99-457, and P.L. 101-476. Included in this headcount are pre-school children ages 3-5 who generate early childhood incentive money, as provided for by P.L. 99-457. The headcount is conducted on December 1.

A. **Criteria for Eligibility for EHA Title VI-B Headcount:**

To be eligible for counting on December 1, a child must:

1. Be enrolled in a special education program in a school or program which is operated/supported by a public agency which meets State Board of Education PROCEDURES GOVERNING PROGRAMS AND SERVICES FOR CHILDREN WITH SPECIAL NEEDS (PROCEDURES).

2. Be receiving special education (free appropriate public education) and related services (when appropriate) on December 1.

3. Be properly identified as a child with special needs and have been placed in a class/program by the APC or Preschool Transition/Placement Committee; have attained the third birthday and be no older than age 21.

4. Have an IEP for the handicapped, a Group Education Program (GEP) for the Academically Gifted or an Education Program for the Pregnant.

5. NOT be counted on the ESEA Title I Handicapped headcount.

B. **Instructions for Counting on EHA Title VI-B Headcount:**

1. A child with special needs must be counted corresponding to his/her age as of December 1.

2. A child with special needs must be counted by his/her PRIMARY handicapped/gifted classification. In North Carolina, speech therapy has been classified as special education rather than as a related service except for a child who is classified in one of the other handicapping exceptionalities; thus speech becomes a related service.

   Examples:

   A child classified as educable mentally handicapped by the APC and having an IEP specifying speech as a related service is counted under the Educable Mentally Handicapped category and not under the Speech Impaired category .

   A child identified as academically gifted and handicapped, the child is counted under the handicapping condition.

A child classified as deaf and/or hard of hearing is counted under the Hearing Impaired category.

A child classified as blind and/or partially sighted is counted under the Visually Impaired category.

A child classified as deaf and blind is counted under the Deaf-Blind category.

A child having more than one disability (other than Deaf/Blind) is counted under the Multihandicapped category. He/she has special education needs which cannot be met in the other special education categories, such as Severely/Profoundly Mentally Handicapped, and Trainable Mentally Handicapped. This does not include an educable mentally handicapped child who wears glasses or has a hearing aid.

A child *may not* be counted in the following instances:

- He/she is counted under the ESEA Title I, Handicapped headcount;
- He/she is determined to need a related service to assist him/her in benefiting from special education may not be counted if he/she is not currently being provided that related service;
- He/she is receiving only a related service and who does not need special education;
- His/her special education is funded solely from federal funds (except for ages birth-4). (For example: A child enrolled in a public/private school under contract from a LEA using funds for the contract which are solely federal may not be counted. This applies also to Special Reserve Funds [EHA Title VI-B] which are matched by the LEA with Title VI-B dollars.)

C. Under the provisions of PL 99-457, a headcount is taken for preschool children ages 3, 4, and 5. On December 1, LEAs and other agencies under the Department of Human Resources (DHR) and other eligible state-supported programs count handicapped children ages 3, 4, and 5 (as of December 1) who are enrolled in and receiving special education and related services.

NOTE: These students may not be counted in average daily membership (ADM) or on the State Aid Adjusted headcount.

IV. ESEA TITLE I, HANDICAPPED HEADCOUNT/REPORT

ESEA Title I Handicapped funds are made available to LEAs that are eligible and that wish to access funds under an ESEA Title I Handicapped project. LEAs may count children on the ESEA Title I Handicapped headcount which, in turn makes that LEA eligible to submit a project for approval by the Division of Exceptional Children Services. However, LEAs may choose to count all children on the ESEA Handicapped headcount, in which event, an ESEA Title I Handicapped headcount or project would not be submitted.

A. **Criteria for Eligibility for the ESEA Title I Headcount:**

1. A child must have been counted/enrolled/served by an eligible state-operated/supported program during the 1971-72 or subsequent school years continuously for not less than 180 consecutive (not cumulative) school days.

2. A child must be counted in ADM of an LEA on December 1.

3. A child must be properly identified as handicapped under federal regulations and PROCEDURES. He/she must be receiving a free appropriate public special education program and related service (if appropriate) in the LEA.

4. A child must have not reached his/her 22nd birthday on or before December 1.

5. A child must not be reported/counted on the EHA Title VI-B Handicapped headcount.

B. **Instructions for Counting on the ESEA Title I Headcount:**

LEAs choosing to submit an ESEA Title I Handicapped headcount must provide the following:

1. Name of child who meets the eligibility criteria as outlined above; (Last name, first name, middle initial, also known as.)

2. Month, day, and year of the child's birth;

3. Age of child as of December 1;

4. Primary handicapping condition (one code per child);

5. Ethnic group according to code (one code per child); and

6. State-operated/supported program from which the child transferred.

C. **Eligible State-Operated/Supported Programs:**

- Governor Morehead School for the Blind
- Community Residential Centers - Carobell, Hilltop, Horizons, Howell's Piedmont, Tammy Lynn
- North Carolina Schools for the Deaf - Central (Greensboro), Eastern (Wilson), NCSD (Morganton)
- Eckerd Foundation - Wilderness Camps
- Lenox Baker Children's Hospital of North Carolina
- North Carolina Memorial Hospital
- Mental Retardation Centers - Black Mountain Center, Caswell, Murdoch, O'Berry, Western Carolina
- Psychiatric Hospitals - Broughton, Cherry, Dix, Umstead, Whitaker School, Wright School
- TEACCH (Chapel Hill Center only)
- Division of Youth Services
- Department of Corrections

V. ADJUSTED HEADCOUNT FOR STATE FUNDING

The Adjusted Headcount for State Funding is a headcount of those students (ages 5-20) who have been properly identified and who are placed and are being served on April 1. The Adjusted State Funding headcount is provided for in Senate Bill 23, Section 81 (1983), and is intended to adjust the federal headcounts for state funding only.

A. **Criteria for Eligibility for the State Aid Headcount:**

To be eligible for counting on April 1, a child must:

1. Be enrolled in a special education program which meets State Board of Education rules and regulations;

2. Be receiving special education and related service (when appropriate) on April 1;

3. Be properly identified as a child with special needs and have been placed in a class/program by the APC; and

4. Have an IEP or a GEP.

NOTE: Students no longer qualifying for placement may continue to be served until the end of the grading period or semester but MAY NOT be counted on the headcount.

B. **Instructions for Counting on the State Aid Headcount:**

LEAs must submit the total *unduplicated* headcounts (ages 5-20) of students who are eligible/identified/served by *primary* handicapping condition.

VI. CONTRACTUAL AGREEMENTS FOR COOPERATIVE PROGRAMS IN A PUBLIC OR PRIVATE FACILITY

A. The LEA has the ultimate responsibility for special education of handicapped children who reside within the LEA and whom the LEA serves either directly or contractually.

B. When the local board of education places the child in another LEA or public or private school or facility, the LEA of legal residence of the child must enter into a contractual agreement with the LEA or public or private school facility:

1. The contractual agreement shall specify the special education service(s) to be provided and the duration of that service during the school year.

2. All contracts must be negotiated prior to or at the beginning of each school year.

3. Contracts must be written for all such children whether or not any additional financial assistance is required for the child.

C. When a local board of education releases the child to another LEA, the accepting LEA has the legal responsibility for the special education of the child for that school year.

VII. RESPONSIBILITY FOR HANDICAPPED CHILDREN RESIDING IN A GROUP HOME, FOSTER HOME, OR SIMILAR FACILITY

When a handicapped child resides in a group home, foster home, or similar facility, the legal responsibility for special education resides with the LEA in which the group home, foster home, or similar facility is located. The LEA in which the group home, foster home, or similar facility is located will count the child on their headcount(s).

VIII. COUNTING OF CHILDREN WITH SPECIAL NEEDS WHO ARE PLACED IN A PUBLIC OR PRIVATE SCHOOL FACILITY

A. The LEA of legal residence is eligible to count the child in special education headcounts only if the LEA provides special education and related service (if appropriate) either directly or contractually.

B. When a child with special needs is placed to receive his/her special education in a public or private school or facility other than the one in which he/she maintains legal residence, the LEA of legal residence for the child shall count the child in the federal and state special education headcounts but *not* in ADM.

C. When a child is placed by the LEA of legal residence in another LEA, the serving LEA shall count the child in ADM but *not* on the federal and state special education headcounts.

D. When a child is in residence in a group home, foster home, or similar facility, the LEA where the group home, foster home, or similar facility is located shall count the child in the federal and state special education headcounts *and* in ADM.

E. When a child has been certified as Willie M., the LEA of legal residence for the child shall count the child on the federal and state special education headcounts *and* in ADM:

   1. When the certified Willie M. child is served by another public school, the LEA of legal residence shall count the child on the federal and state special education headcounts. The serving LEA shall count the child in ADM.

   2. When the child is served by a non-public school facility (i.e. mental health center), the LEA of legal residence for the child shall <u>not</u> count the child in ADM.

F. When a school-aged child is placed in a developmental day program, the LEA of legal residence shall count the child on the federal and state special education headcounts, but shall <u>not</u> count the child in ADM.

G. If the LEA operates a developmental day program, the child shall be counted on the federal special education headcounts (for preschool-aged and school-aged children); on the state special education headcount (for school-aged children); and in ADM (for school-aged children).

APPENDICES:

APPENDIX A

STUDENT ACCOUNTING CODES

I. ENROLLMENT CODES

When a student enters school, designate such entrance by the appropriate code. Withdrawals occurring during the summer months are posted as part of the record of the immediately preceding school year.

Codes

E1 - *Initial Entry - No Previous Public School Enrollment*

Student's first enrollment in a public school this school year. The student has not been enrolled in a public school in North Carolina or outside North Carolina this school year, although the student may have been enrolled in a non-public school this school year either in North Carolina or outside North Carolina.

E2 - *Initial Entry - Previous Public School Enrollment Outside State*

Student's first enrollment in a public school in North Carolina this school year. The student was enrolled previously in a public school outside North Carolina this school year.

R1 - *Re-entry - Previous Internal W1*

Student's subsequent enrollment in this school this school year. The student is withdrawn from this school as an internal transfer and re-entered into another grade/homeroom/attendance category in the same school and under the same principal.

R2 - *Transfer Entry - Previous North Carolina Public School Enrollment in Same LEA*

Student's first enrollment in this school this school year. Student transferred during this school year from a public school in the same LEA.

R3 - *Transfer Entry - Previous North Carolina Public School Enrollment in Another LEA*

Student's first enrollment in this school this school year. Student transferred during this school year from a public school in another North Carolina LEA.

R5* - *Re-entry - Previous External W1*

Student's subsequent enrollment in this school this school year. The student withdrew from this school as an external W1 and is re-entered into the *same homeroom* as before the withdrawal.

BEST COPY AVAILABLE

NOTE: If the student is to be placed into a *new* homeroom, he should first be re-entered (R5) into his original homeroom. He should then be transferred (W1/R1) on the next day to the new homeroom.

R6* - *Re-entry - Previous W2*

Student's subsequent enrollment in this school this school year. The student withdrew from this school as a W2 and is re-entered into the same homeroom as before the withdrawal.

NOTE: If the student is to be placed into a *new* homeroom, he should first be re-entered (R6) into his original homeroom. He should then be transferred (W1/R1) on the next day to the new homeroom.

When a student withdraws from a North Carolina public school, enrolls in a public school in another state or in a non-public school, and then returns to a North Carolina public school, he/she is to be coded as if the transfer was from the original North Carolina public school.

* Codes valid for SIMS only.

II. ACCOUNTING FOR SELF-CONTAINED HANDICAPPED/TRAINABLE CHILDREN IN A SEPARATE CLASS SETTING

State Board of Education policy requires that all ADM teachers earned by handicapped children served in self-contained special classes be assigned to serve those children. In order to comply with that policy, it is necessary to report self-contained handicapped children on the **EXC** line on the PMR. "Self-contained" is defined as receiving special education/related services for 60% or more of the school day in classes specifically designed for handicapped exceptional children.

Trainable, severely/profoundly handicapped and autistic children must be reported on the **TMH** line of the PMR.

III. ATTENDANCE/ABSENCE CODES

Codes

1 - *Lawful Absences*

Provided satisfactory evidence of the excuse (see Chapter 2, Section IV) is provided to the appropriate school official, absences coded as lawful absences:

NOTE: **1H** absences are lawful. They do not affect a school's attendance rate (ADA/ADM) because SIMS treats them as presences. They are added to the Sum of Pupils Present Daily and appear in the current PMR system as presences.

NOTE: When a student is homebound or hospitalized and IS NOT receiving hospital/homebound services, he/she is to be considered lawfully absent and coded 1.

2 - *Unlawful Absences*

Students who are *willfully* absent from school without a lawful excuse (see Chapter 2, Section IV) are to be considered unlawfully absent. (The Ten Day Rule applies.)

3 - *Suspensions*

A suspension is considered to be neither lawful or unlawful, but in a category of its own. (The Ten-Day Rule does *not* apply to suspension days.)

Expulsions

Students who are expelled are to be withdrawn from school as per directions stated in Chapter 2, Section IV.

IV. WITHDRAWAL CODES - SCHOOL YEAR

When a student withdraws from school during the school year, such withdrawals are to be designated by the appropriate code listed below.

Codes

W1 - *Transfer Withdrawal*

Student withdrew for one of the following reasons:

- Transferred to another homeroom
- Transferred to another grade
- Transferred to another attendance category
- Transferred to another school, community college or appropriate educational program

NOTE: When a student is enrolled in any state-operated/ supported program, private hospital facility with an accredited instruction program, or hospital with a public school number, he/she should be coded W1 and withdrawn from his/her home school LEA.

W2 - *Early Leaver Withdrawal - No Plan to Return Current School Year*

Student withdrew for one of the following reasons and will not return to school during the current school year:

- Prior to compulsory attendance age
- Dropped out
- Expelled

NOTE: Students withdrawing on a day following a code 1 or 2 absence must be withdrawn on the day following their last day in attendance.

W3 - ***Death Withdrawal***

W4 - ***Early Completer Withdrawal - Returning and Non-Returning***

Student completed the current year (as part of a formal instructional program) before the end of the school year calendar for one of the following reasons:

- Graduated mid-year
- Completed current year early

The W4 withdrawal code was intended to be used for students who complete a structured program (such as an extended day school program) which was concluded prior to the normal end of the school year. Thus, it would not be appropriate for students who are caused by their parents to leave for a summer vacation prior to the last day.

The way a student's absence in the situation described above should be handled will be determined, in large part, by the principal's determination as to whether the days of absence are excused or unexcused. The State Board of Education's Ten Day Rule dictates that a student be withdrawn from membership on the eleventh consecutive day of *unlawful* absence. However, the principal may determine that some activities, such as a trip to a place of historical significance may have sufficient education value to cause a student's absence to be *lawful*.

With the above in mind, depending on existing circumstances, the following procedures should be followed.

1. A student who leaves for the summer following completion of a structured curriculum should be coded as a W4 withdrawal on the first day following his last day of attendance.

2. A student who leaves for excused reasons (such as illness or an educationally-valuable trip should be recorded as lawfully absent through the 180th school day and subsequently withdrawn at the end of the year as a W5 or W6.

3. A student has essentially completed his program for the year (although he is not in a structured program similar to the one mentioned in item 1 above), and leaves for unexcused reasons. Since his class work has been completed for the year, the principal may determine that, under the circumstances, absences should be excused. The student would subsequently be withdrawn at the end of the year as a W5 or W6.

4. A student has not completed his program for the year and leaves for unexcused reasons. If the eleventh day of unexcused absence occurs during the last ten days of school, he should be withdrawn as a W2 on the first day following his last day of attendance.

NOTE: Current regulations state that any student coded as a W2 (Early Leaver) during the previous spring who is in membership on the 20th day of the next school year will *not* be counted as a dropout.

W5* - *End-of-Year Completer Withdrawal - Returning*

Student completed the current year at the end of the school year calendar and is expected to return for the next school year.

W6* - *End-of-Year Completer Withdrawal - Non-Returning*

Student completed the current school year at the end of the school year calendar and is not expected to return to this school for one of the following reasons:

- Completed program
- Completed highest grade

* Codes valid for SIMS only.

V. WITHDRAWAL CODES - SUMMER

After the end of the school year, additional information may be obtained about a student's completion/withdrawal for the previous school year. Such information is to be designated with the appropriate code listed below.

Codes

W1A* - *Summer Transfer Withdrawal*

Student completed the school year and was withdrawn as a W5. The student did not return to this school as expected because he/she transferred to another school, community college or appropriate educational program.

W2A* - *Summer Early Leaver Withdrawal*

Student completed the school year and was withdrawn as a W5 or a W6. The student neither returned to this school nor enrolled in another school within the time period allowed for one of the following reasons:

- Prior to compulsory attendance age
- Dropped out

NOTE: If it is determined, *during the same school year*, that a child previously coded as a W2 has transferred to another school or another appropriate educational program, his/her withdrawal may be re-coded as a W1 or W1A Transfer Withdrawal. The student must have enrolled prior to the beginning of the subsequent school year, or on earliest possible date of entrance to the receiving program after withdrawal from school. ("School year" is defined as the period beginning with the first day of the school year and ending with the day before beginning of the next school year.)

W3A* - ***Summer Death***

* Codes valid for SIMS only.

APPENDIX B

MAINTENANCE OF SCHOOL RECORDS

I. LEGAL REQUIREMENTS

A. Contents:

1. The cumulative record should contain personal and family data, health information, attendance reports, and scholastic information, including grades and test data. While the law does not prohibit the inclusion of other information, each local board of education should give careful consideration to procedures that will ensure the exclusion of items having little or no significance.

2. The cumulative record for handicapped children consists of all confidential records used to place and provide an education for a child, such as achievement and intelligence tests, medical reports, and the Individualized Education Program (IEP).

3. Administrative records (such as parental permission slips, unlawful absence forms, exceptional children hearing report records, school discipline records, etc.) should be filed separately from the cumulative folder, and should be retained only as long as they are needed for operational purposes.

4. Schools are *not* required to store a copy of Individual Pupil Records (IPRs). However, if IPRs are saved, they should not be filed in the cumulative folder.

B. Maintenance:

1. The school principal should assume responsibility for assuring that school staff annually review their files to make additions and corrections and to remove dated materials.

2. The federal Family Educational Rights and Privacy Act of 1974 (P.L 93-380), also known as the "Buckley Amendment," requires that the parent/guardian be informed of rights to access to their child's education records. The following policy statement is recommended for use in a handbook or as a letter to the parent/guardian:

> The school maintains a cumulative education record on each of its students. This record contains important information such as personal data, a health record, attendance reports, standardized test results, and subject area grades. It is useful for many reasons: in case of an emergency, to comply with the Compulsory Attendance Law, for course placement, to meet graduation requirements, etc. Under the federal Family Educational Rights and Privacy Act (the "Buckley Amendment"), the following is considered "directory information," and can be made public unless a parent/guardian or eligible student requests that any or

all of the information not be released without prior consent: your child's name, address, telephone listing, date and place of birth, participation in officially recognized activities and sports, dates of school attendance, degrees and awards received, and the most recent previous school attended. Your child's education record is confidential and only available to you and to school officials or other agencies with legitimate educational interests. The Buckley Amendment explains your rights regarding your child's school record.

- The school is not allowed to disseminate data personally identifying your child without your consent.
- When officials of another school or school system in which your child intends to enroll request a record transfer, the school must make a reasonable attempt to notify you of the transfer. Upon request, the school must send you a copy of the forwarded information.
- The school must honor your request to review your child's record within a reasonable time period, but in no case more than 45 days. If you believe the information in your child's record is inaccurate or misleading, you may request it to be amended. The school's refusal to amend the record entitles you to a hearing. If the school agrees with you as a result of the hearing, the school must amend the record accordingly and notify you in writing. However, if the school continues to disagree with you after the hearing, you may place a statement of disagreement in the education record.

Access privileges accorded to you are transferred to the student when the student reaches 18 years of age or is attending an institution of post-secondary education.

3. Both divorced parents have access to a student's record unless the courts have denied access to one of the parents.

4. A step-parent does *not* have access to a student's record without the consent of the natural parent. If legal adoption of the student by the step-parent has occurred, consent of the natural parent can be assumed.

5. The principal may furnish student record information to the courts without parent/guardian or eligible student's consent when required by judicial order or lawfully issued subpoena. For instance, attendance records could be useful to an attorney in a child abuse case. However, the parent/guardian or eligible student should be notified by the school in advance of compliance. The parent/guardian or eligible student has the right to review and challenge the student's record prior to compliance.

6. A record of access, provided by an inspection log, must be kept with, but not part of, each student's cumulative record. The record is available only to the record custodian, parent/guardian, eligible student, or federal/state/local official and is maintained as long as educational records are maintained. It is to be completed by non-school personnel, parent/guardian, or eligible student each time a request is made to review the cumulative record.

7. Although access rights transfer from the parent/guardian to the student when the student reaches 18 years of age or attends an institution of post-secondary education, it is permissible to allow the parent/guardian to continue access privileges if the student is not available and requests student information.

C. **Dissemination:**

1. The information to be included in a transfer of a student record includes the original Personal Data Sheet, the Pupil Physical Examination and Permanent Health Record, the Elementary Scholastic Record, and the Elementary and Secondary Standardized Test Record. ***A copy of this information should be retained by the sending school.***

2. It is recommended that the transferring local education agency (LEA) send copies of all confidential records of handicapped children dealing with their placement and education. This information should include psychological and medical reports currently being used to either place or provide an education to a handicapped child.

3. Records may be sent to another public school in which the student intends to enroll or obtain services without written parent/guardian consent. This practice is to be included in written local board of education policy and distributed to all parents or eligible students. The school must notify the parent or eligible student that the information has been forwarded.

4. The educational records of handicapped children who leave the public school and enter a human resource or correction program who leave a human resource agency or correction program to enroll in a public school may be transferred without parental consent with notice to the parent that the record has been forwarded. Each item of the record forwarded should be listed. Any records dealing primarily with medical treatment or correction as opposed to education should not be transferred. Only medical records used for placement are transferable.

5. Each school is responsible for promptly forwarding the student record forms to the receiving school.

6. The school should maintain a copy of all requests for the transfer of student records. Verbal requests can be documented through a letter of transfer citing a verbal request and date.

7. A school may not legally withhold a student's record from another school because of uncollected fees or because the student is not in good standing. This method of retribution places the hardship on the receiving school, not the student. Under the Buckley Amendment, the parent/guardian or eligible student has a right to cumulative record information, including the right to copy such information. A school could deny participation in graduation exercises or a certified copy of a transcript.

D. **Preservation:**

1. There is no specified time limit in either state or federal regulations for maintaining a student's confidential records of handicapped children after graduation or withdrawal from school. It is recommended that information be maintained for five years beyond the last date educational services were provided.

2. The Division of Archives and History, State Department of Cultural Resources, recommends that permanent records be microfilmed two years after the student graduates or leaves the school.

   Services of the Division of Archives and History are free for LEAs with less than 800 graduates per year. Contact the Records Services Branch located at 215 North Blount Street in Raleigh. The telephone number is (919) 733-3540. Larger LEAs must contract for microfilming services.

E. **Destruction of Certain Exceptional Children Records:**

1. A definite procedure for purging exceptional children records should be developed and implemented by each LEA.

2. Before destroying confidential records of handicapped children, the parent/guardian, or eligible student must be contacted and informed of what records will be destroyed. The party should be reminded that such records may be needed in the future for social security or other benefits. Time should be allowed (30 days) for the parent to request copies of the records prior to destruction.

   If a local board of education policy explaining the destruction of records has been disseminated to parents, then the burden of contacting parents or eligible students regarding record destruction to some extent would be on the parents to contact the school. It is recommended that confidential records which were used initially to place the child in special education be maintained. If the child were in special education for 12 years, the early IEPs could be destroyed leaving only the last five years of IEPs in the file. Work samples, anecdotal records, or nonessential information in the files could be destroyed.

   Parents have a right to ask schools to destroy records concerning the evaluation and placement of children in special education. However, these records may be destroyed only when the child is no longer in need of special education.

II. SOCIAL SECURITY NUMBER

The Department of Public Instruction has adopted the use of the student's Social Security Number (SSN) as a state-wide unique student identification number. It is intended to use the SSN in the future as a student identifier for Student Information Management System (SIMS), state-wide testing, and other purposes.

A. SSNs must be in place in all students' records prior to transmitting the school's Principal's Monthly Report and the School Activity Report.

B. Federal law prohibits a school from requiring a student to report their SSN. When a student refuses to provide their SSN, an alternative SSN must be assigned. The alternative SSN should be assigned when the child is first enrolled in school and should follow the child to subsequent schools and/or LEAs.

C. When assigning an alternative SSN to a child, the following scheme is to be used:

1. LEA Number (3 digit) + School Number (3 digit) + X + YY (where X = A-Z and Y = 0-9)

2. When this scheme runs out, it is followed by:
LEA Number + School Number + XX + Y (where X = A-Z and Y = 0-9)

3. When this scheme runs out, it is followed by:
LEA Number + School Number + XXX (where X = A-Z)

NOTE: The alphabetic character will identify this number as an alternative SSN.

APPENDIX C

STUDENT ACCOUNTING AUDITS

Student Information Management audits average daily membership (ADM) records and exceptional children headcounts and records. The items audited are set forth in this appendix.

I. AVERAGE DAILY MEMBERSHIP AUDITS (UNANNOUNCED ON-SITE)

The audit of ADM records is authorized by North Carolina General Statutes 115C-276(p), 115C-288(b), and 115C-307(g). These statutes state, in effect, that any superintendent, principal, teacher, or other school employee of the public schools, who knowingly and willfully makes or procures another to make any false reports or records respecting daily attendance of students in the public schools shall be guilty of a misdemeanor, and upon conviction, shall be fined or imprisoned in the discretion of the court. Additionally, the certificate of such person to teach in the public schools of North Carolina will be revoked by the State Superintendent of Public Instruction.

The purpose of the audit is to determine that the student membership, as reported, is accurate, and that the student attendance accounting system in use is being maintained and producing accurate data.

A. **Criteria for Selection of Local Education Agencies (LEAs) to be Audited:**

Approximately two-thirds of all ADM audits will be conducted by selecting each LEA to audit once every three years. At least 16% of all Individual Pupil Records will be audited. The number of schools audited will be determined by the size of the LEA. The audit findings will address findings and error rates in individual schools as well as the LEA as a whole. LEA error rates (relating to enrollment and membership) may affect allotments.

Approximately one-third of all ADM audits will be done on a drop-in basis without regard to the LEA. In all cases, schools with a high error rate will be re-visited in the next school year.

Other criteria used to determine schools to be audited include:

1. LEAs with student accounting problems encountered by Student Information Management or by the Information Center; and

2. Requests of local boards of education, superintendents, or principals.

3. Schools to be audited will be selected by the following criteria:

   a. Date last audited;

   b. Reoccurring errors on the Principal's Monthly Report (PMR);

c. Geographic location (to allow the Department of Public Instruction staff to audit several schools in one general location at a time in order to conserve resources); and

B. **Audit Procedures:**

1. For the school(s) selected, the student accounting consultant will obtain PMRs to review after reviewing monthly Principal's Error Reports from the Information Center to determine if any problems have been encountered in any of the LEA's reports.

2. The student accounting consultant will meet with the superintendent or his/her representative to:

   a. Explain the purpose of the unannounced audit; and

   b. Indicate which school(s) will be visited.

3. The consultant will meet with the principal and his/her representative to:

   a. Explain the methodology of the audit;

   b. Request the following for review:

      (1) Each homeroom Register, deck of Individual Pupil Record (IPR) cards, or roster sheets,
      (2) PMRs and Teacher's Monthly Reports (TMRs) that support the data;

   c. Advise the principal that the following records may also be needed should additional substantiation be required:
      (1) Internal pupil accounting records (shuttle sheets, absence lists, etc.),
      (2) Roll books,
      (3) Bus records,
      (4) Lunchroom records,
      (5) Textbook receipts,
      (6) Receipt books,
      (7) Sign-in/Sign-out logs,
      (8) Enrollment/Withdrawal logs;

   d. Review IPRs to ensure that they contain the following information:
      (1) Student name, race, address, and birthdate,
      (2) Date of entrance,
      (3) Enrollment code,
      (4) Date of withdrawal (where applicable),
      (5) Withdrawal code (where applicable),
      (6) Teacher's signature,
      (7) Absences noted and coded daily.

(8) Monthly totals:
- (a) Days in membership
- (b) Days present
- (c) Days absent

NOTE: Number of IPRs being used equals total students enrolled;

e. Review TMR (R102), PMR (R103), Daily Attendance Exceptions (R501), Entry/Withdrawal (R834), Late Enrollment/Early Withdrawal (R121), bubble sheets, and Division Attendance Reports (R122) computer reports to ensure that they contain the following information:
- (1) Student name,
- (2) Date of entrance,
- (3) Enrollment code,
- (4) Date of withdrawal (where applicable),
- (5) Withdrawal code (where applicable),
- (6) Teacher's signature,
- (7) Absences noted and coded daily;

f. Review each TMR for the latest school month to ensure each is complete and accurate,

g. Select the last completed school month to verify the following:
- (1) LEA and school code,
- (2) School month,
- (3) Calendar dates of school month,
- (4) Number of days in school month,
- (5) Daily completion of:
  - (a) Class enrollment by code and total
  - (b) Class withdrawal total
  - (c) Students in membership (class total)
  - (d) Students present (class total)
  - (e) Students absent (class total),
- (6) Monthly completion of:
  - (a) Students in enrollment (must balance with total of IPRs)
  - (b) Students absent (must balance with totals shown on IPRs)
  - (c) Students withdrawn (IPRs must balance with TMRs)
  - (d) Signature of teacher or other person(s) responsible,

h. Verify the IPRs and TMRs by counting the students in at least one homeroom in each school audited (when possible without disrupting normal school operation), checking the following data:
- (1) Enrollment,
- (2) Withdrawal,
- (3) Membership,
- (4) Days present,
- (5) Days absent;

i. Compare the PMRs with the TMRs to confirm the total statistics for the school as follows:
   (1) Total students in enrollment by grade,
   (2) Total students withdrawn by grade,
   (3) Membership,
   (4) Class size for compliance, (In self-contained classes, membership is compared with class size maximums to determine if an exception exists, and if it has been waived and/or reported.)
   (5) Sum of students present daily,
   (6) Sum of students absent daily,
   (7) School totals for each of the above;

4. The consultant will conduct an exit interview to:

   a. Review all findings with the principal or his/her representative and/or SIMS operator; and

   b. Re-visit the superintendent (as requested) to review audit findings.

C. **Procedure When an Exception is Found:**

1. The consultant will determine the extent of the exception and list on the Audit Work Sheet.

2. The consultant will request corrected PMRs (R103), IPRs (R101) and Audit Work Sheets as needed. Requested reports should be sent to Raleigh within 30 days of the audit. When received, the reports will be checked to determine if corrections have been made. The corrected PMR(s) will then be forwarded to the Information Center for processing.

   If the school has been certified to use the SIMS Attendance Module exclusively as its student accounting system, previous months' corrected PMRs will be transmitted electronically with the current month PMR.

D. **Procedure When Deliberate Falsification of Records is Determined:**

1. The consultant will immediately notify the Chief Consultant for Student Information Management.

2. The consultant will impound those records needed to substantiate falsification.

3. The Chief Consultant will report the findings to the Assistant State Superintendent for Financial Services to determine what further action will be taken.

F. **Post-Audit Procedures:**

1. The consultant will prepare a final audit findings report.

2. An error rate of 5% is considered the maximum acceptable within established audit standards. Error rates in excess of 5% will cause the audited school to be placed on probationary status. Schools placed on probationary status will be subject to a re-audit within 12 months.

3. The Chief Consultant for Student Information Management will send a final audit findings letter to the local superintendent.

II. EXCEPTIONAL CHILDREN HEADCOUNT AND RECORD COMPLIANCE AUDITS

Student Information Management audits headcounts and monitors compliance with rules and regulations as authorized by the Code of Federal Regulations (Federal Register) 300.750(a), 300.751(a), and 300.752; North Carolina General Statutes 115C-110(j), (k), and (i); and Senate Bill 23, Sections 81, 82, and 83. Audits of exceptional children headcounts and individual student records are conducted on an unannounced basis in the local education agency (LEA). (Student Information Management will notify the LEA 24 hours in advance that an audit will be conducted.)

A. The purpose of the audit is to determine that the federal and state exceptional children headcounts are accurate as reported for funding, and that student records are in compliance with rules and regulations set forth in State Board of Education PROCEDURES GOVERNING PROGRAMS AND SERVICES FOR CHILDREN WITH SPECIAL NEEDS (PROCEDURES).

B. **Selection Criteria:**

The criteria for selection of LEAs to be audited are the following:

1. LEAs which have not been audited within a three-year period;

2. LEAs with reoccurring problems and/or exceptions;

3. LEAs which exceed the overall 12.5% cap for handicapped and/or the 3.9% cap for academically gifted; and

4. State supported/operated programs.

C. **Number of Schools for Record Compliance Audit:**

Number of Excep. Children LEA-Wide	Number of Schools to be Audited
100 - 499	1
500 - 1,499	2
1,500 - 2,999	3
3,000 - 4,999	4
5,000 - 9,999	5
10,000 +	6

D. **On-Site Audits:**

1. The student accounting consultant will meet with the superintendent or his/her designee and advise him/her of the audit procedures.

2. The consultant will obtain the LEA-wide State Aid headcount roster of students and reconcile the State Aid headcount submitted to the Department of Public Instruction to the actual roster.

3. The consultant will verify with the finance officer that the teachers and teacher assistants earned on students with special needs being served in self-contained classes are properly assigned and paid.

4. The consultant will obtain a list of all exceptional children personnel from the exceptional children program administrator. The list will be verified by reviewing the most recent payroll register to ensure that personnel are correctly charged to exceptional children account codes.

5. The consultant will obtain an LEA-wide Willie M. allocation roster for the current year and verify proper utilization of Willie M. funds.

6. The consultant will obtain the LEA-wide preschool served handicapped roster of students ages 3, 4, and 5, and reconcile the preschool served headcount submitted to the Department of Public Instruction to the actual roster.

7. The consultant will audit individual student records in the schools selected. The audit sample will include 10% of students in each exceptionality category. The total number of student records audited for an entire LEA will be no less than 20, regardless of the size of the LEA and/or the number of exceptional children counted on headcounts.

    a. The appropriate number of records (as determined above) will be selected randomly for audit.

    b. It will be assumed that all records audited represent funded students. Therefore, records for eligible students who are being served beyond established caps may not be substituted for those found during the audit to be out of compliance.

    c. Records will be audited according to the requirements outlined in "Checklist for Compliance to Determine Eligibility for Exceptional Children Funding."

    d. The consultant will verify that student records found out of compliance are not included in current headcounts.

8. Upon completion of the audit of records in the selected schools, if the number of records out of compliance is found to exceed 15% of the total records audited, the audit sample will be expanded to additional schools.

9. Upon completion of the audit of records selected in the second set of schools, if the total error rate (including both samples) exceeds 15% of the total number of records audited, the audit sample will be expanded to a 10% sample of the LEA's entire funded State Aid headcount. The consultant will make a random selection of 10% of the records in individual schools within all exceptionality categories from each of the schools in the LEA, not to exceed 50 schools.

10. Upon completion of the audit of 10% of the LEA's entire funded headcount, if it is found that the error rate is in excess of 25%, the audit may be expanded further.

11. Based on the audit findings, the consultant will calculate reductions of the current headcounts.

12. The consultant will conduct an exit interview with the superintendent to review in detail the findings of the audit.

13. The Chief Consultant for Student Information Management will review the audit findings and prepare a final audit findings letter to be mailed to the superintendent. The letter will set forth in detail any headcount reductions and subsequent allotment reductions which have resulted from the audit.

14. The LEA will have 90 days from the date of the receipt of the audit findings letter within which to request clarification or contest any audit findings.

III. CHANGE IN EXCEPTIONAL CHILDREN COMPLIANCE AUDIT PROCEDURE

For a trial period, certain audit items relating to student record compliance will result in the requirement of corrective action rather than a reduction in funding. A corrective action plan must be in place and operational prior to the LEA's next funding year.

Headcount audit exceptions and student record audit exceptions, relative to items required specifically by law (such as the absence of an IEP), will continue to result in a funding (sate and federal) reduction.